

SICC MEETING MINUTES

Truman Building, Room 400

July 8, 2005

Members Present

Debby Parsons
Margaret Franklin
Gretchen Schmitz
Valeri Lane
Sherl Taylor

Leslie Elpers
Julia Kaufmann
Kris Hotchkiss
Joan Harter
Melinda Sanders

Darin Preis
Susan Allen
Elizabeth Spaugh
Fred Simmens*
Kathy Daulton

Members Not Present

Ronald Roberts

Pam Byars

Kathy Fuger

Other Staff Present

Joyce Jackman
Kate Numerick

Dale Carlson
Mary Corey

Sarah Parker
Margaret Strecker

*Pending Appointment

To review copies of handouts mentioned in the minutes below, go to the following website:
<http://dese.mo.gov/divspeced/FirstSteps/SICCmtgdates.htm> and click on "Handouts" for the meeting you are interested in.

Call to Order, Welcome, and Introductions – Joan Harter called the meeting to order at 8:40 a.m. Introductions were made.

Approval of SICC Minutes – Edits to the minutes were given as follows:

- Move Debby Parsons' name from the members list to the other staff present list.
- Under Bylaws - Julia Kaufmann asked that "pending approval from Department of Mental Health" be added to the last sentence under the first bullet for clarification.
- Last paragraph on page two change "dollars be identify to children" to "dollars be linked to children" for clarification.
- Page three in the last paragraph before the budget section add "at DESE" to the end of the second sentence for clarification.

Sue Allen made a motion to approve the minutes as amended. Gretchen Schmitz seconded the motion. Motion passed.

Valeri Lane took time to recognize Elizabeth Spaugh as a past co-chair and thank her for her service on the Council as co-chair. Valeri also welcomed Joan Harter as the new co-chair.

Second Read of Bylaws – The first read of the bylaws took place at the May SICC meeting and according to the current bylaws the Council can approve the new bylaws at this meeting. Darin Preis made a motion to approve the bylaws as written. Margaret Franklin seconded the motion. Motion passed. The new bylaws are effective.

IFSP Quality Indicators Rating Scale (QIRS) Update – Kate Numerick provided a handout with updated

information on QIRS. The scoring procedures were developed and piloted using Phase I redacted IFSPs. The process of scoring was a learning process itself. Gradients became consistent across the groups working on scoring even though the groups were not in communication. The second side of the handout listed revisions to the exemplars and the rationale for each revision. Valeri Lane felt the change to number seven goes back to “this child only has one disability.” This could possibly be written “where concerns are being addressed by a single provider.” Valeri asked Kate to send out other optional wording for this item to the Council for review. Kate will send out these options early next week and the Council is to provide her with feedback.

Update Regarding Progress Notes – Kate Numerick indicated that in early to mid-August a technical assistance bulletin with First Steps and Medicaid requirements will be provided to the field. Some Medicaid requirements are beyond what First Steps requires. The practice manual may also need to be updated. Suggestions such as for providers to have a three ring binder containing a log for parents to sign will be included. Sherl Taylor indicated that she received several calls from providers regarding progress notes and she told them to follow the Medicaid manual, which is important because they are Medicaid providers.

Budget/Finance Update – Dale Carlson stated that First Steps made it through another year and has been able to pay for the full year. First Steps was appropriated approximately \$26 million for fiscal year 2006. A technical mistake was made by the legislature when a portion of the appropriation (\$2,000,000) was approved in the “First Steps Fund,” but the law (SB500) actually created a fund called “Part C Early Intervention System Fund.” Appropriations would allow First Steps to expend from the First Steps Fund. The revenue from family cost participation fees, private insurance, and Medicaid actually will flow into the Part C EI System Fund, from which First Steps has no authority to expend. This will likely require another supplemental appropriation request to provide enough revenue to fully fund First Steps in FY06. A couple of options are available: (1) simply interpret the appropriations bill to allow First Steps to expend these funds as was the obvious legislative intent; (2) file a bill for action early in the next legislative session that begins in January 2006; (3) implement only a portion of SB500 regarding what funding sources actually flow into the new early intervention fund; (4) correct the issue in the next appropriations process and request a supplemental appropriation to cover the shortfall. Opening First Steps up to the legislative process has many negative aspects. Items three and four appear most likely. This issue will be corrected for the FY07 budget. At this point, the appropriations plan is to request a \$6 million supplemental.

The handout titled “SICC First Steps Monthly Expenditure/Revenue Report for FY05” (handout A) is the expenditure report for year. The Medicaid line for revenue projected was \$2.7 million, but revenue actually hit almost \$3.5 million. This amount is much higher than normal due to a backlog caused by full implementation of the HIPAA process. This higher amount should not be considered typical in future years for budget planning purposes.

The handout titled “SICC-First Steps Monthly Expenditures for Direct Services by SPOE (Paid through the CFO)” (handout B) for FY05 shows that First Steps planned to spend \$21.7 million. However, only \$20.3 million was actually expended for direct services. Of the \$20.3 million, 90% was expended for early intervention services (OT, PT, SLP, etc.), 4% for evaluation/assessment, and 5% for team meetings. A total of \$25.5 million was expended in FY05, which includes various administrative costs (SPOE operation/CFO/training/consultant/etc.). Valeri asked if DESE had a comparison showing the percentage other states spent on various services. DESE does not have that information, but could probably obtain it from NECTAC. (Note: A request has been sent to NECTAC for this information, but no data has been received as of August 22, 2005.) It would be interesting to have information regarding the lower cost areas to see the reasons their costs are lower. Is it a provider issue? If it is a provider issue, then compensatory services could create higher costs for that area in the future. This should be recorded within the system as “no provider available” (NPA). The new web SPOE will allow a more detailed tracking of the provider issues. Many of these issues may be resolved with the rebid of the Phase II area. Currently, if a child is

referred to First Steps and the IFSP team identifies a needed service (such as speech and language) and the family has been seeing a private provider because a First Steps provider is not available, the system will reflect NPA and this would be recorded under “other” services. This does not mean that the family does not want First Steps services, but will take a First Steps provider when there is one available in that area. It was mentioned that an annual cost per child per SPOE column would be helpful. This data will be provided at the next SICC meeting.

Another handout titled “First Steps–Year to Year Comparison” shows a comparison between revenue, the source of the revenue, and a breakout of expenditures for 2004-2005. The total cost of services decreased from 2004 to 2005, but there were some cost increases (CFO costs and SPOE operations costs). The number of children served has increased significantly with a corresponding decrease in cost per child. This decrease may be attributed to more efficient operations, more oversight/control in the Phase I areas, and a better understanding of the First Steps purpose and process. From this point forward, the data available should provide more reliable comparison data in future years. The First Steps appropriation for FY06 (as was the case in FY05) had a Governor’s withhold (3%), which is dollars not available to the First Steps system. The FY06 withhold increased from \$173,715 in FY05 to \$391,511 in FY06. The withhold amounts are sometimes released allowing for program spending. This did not occur last year and is not anticipated to be released in FY06. It was asked if the costs for Assistive Technology (AT) could be broken out in more detail. Since the total cost for AT is less than \$2 million, it may not be a significant enough percentage of system cost to track to that level.

Family Cost Participation Rule – Dale Carlson sent out material to the SICC a couple weeks ago to begin the thought process regarding the rules for family cost participation (FCP). Within the next six months a rule must be created and implemented. This will not occur by the October date required by SB500 due to the state’s rule making process. There does not appear to be any repercussions for not meeting the October implementation date.

The insurance portion of SB500 is to become effective on January 1, 2006. DESE has had discussions with the Department of Insurance and plans to have more discussions over the next few months. SB500 provides for insurance carriers to pay for identified First Steps service in one of three manners: (1) percentage of written premiums (1/2 of 1% of written premiums), (2) flat rate (\$500,000), or (3) direct bill up to \$3,000 per child annually. At this point, DESE does not know how carriers will elect to make these payments. The first year will likely be treated as a “test year” with reevaluation in the following years as child data (by insurance carrier) becomes better known. Insurance payments for carriers electing a percentage or flat rate payment are due by January 31st for the calendar year.

The process to utilize the draft documents sent to the SICC prior to this meeting has not been finalized. The cost of the monthly family fee for participation in First Steps will be calculated generally based upon family income. Medicaid eligible families will automatically be determined to have an “inability to pay” and therefore have no monthly fee. Sherl Taylor indicated that Medicaid will pay for eligible children only after private insurance (if available) has been accessed. There are several Medicaid related issues that require further discussion. The required monthly participation fee for families participating in the First Steps system will not be retroactive to services prior to the implementation date, but rather from the implementation date forward.

The following draft FCP handouts were sent to the SICC prior to the meeting:

- FCP Financial Flow
- Fee Schedule
- Key Discussion Points
- Family Participation Agreement

Debby Parsons indicated that timelines are critical if the January 1, 2006, implementation date is to be met.

Below is the general discussion concerning FCP from the handouts mentioned above:

1. **What constitutes income for purposes of family cost participation?** A discussion was started on individual components of a proposed rule. Gross income was discussed first and could be used to calculate the monthly fee adjusted in a manner similar to the process used in the calculation of federal income tax. Adjusted gross income (from federal tax forms) could be used, but some revenue may be hidden in the “adjusted income” amount. This could have implications on the amount of the fee.
2. **Who contributes to “family (household) income”?** Parents, step parents, adoptive parent, others? How will multiple federal income tax forms be utilized in the calculation of monthly fees? How will the income be determined for children born outside of marriage? Blended families/multiple sources of income.
3. **What are the allowable deductions to income and for what timeframe?** As with number one and two on this document, use the DMH rule as a draft and revise as needed to fit First Steps.
4. **What does First Steps require as verification documentation?** Can First Steps serve illegal residents? First Steps does not ask for proof of residency. The service coordinator will look at background documentation to make the decisions. Federal income tax forms will likely be the primary source of income documentations. Payroll checks could also be used (annualized salary) if a tax form is not available.
5. **How often does First Steps verify income with family documentation?** Income will be verified during intake and annually thereafter. A process must be established to allow for significant change in family circumstances.
6. **How often does First Steps recalculate family participation?** The monthly fee calculation would occur during intake and annually thereafter. Again, a process must be established to allow for significant changes in family circumstances. Elizabeth asked how parents would be notified of the now mandated monthly fee process. Dale indicated that DESE could draft a document of explanation to send out in the monthly explanation of benefits (EOB) alerting families of the upcoming change. This is the simplest and most consistent way to get the information out to all the families. Service coordinators and providers should receive a copy of what the parents receive so they can respond to questions. Since First Steps has received so much media attention over the past six-seven months, most families are likely already aware of family cost participation fees.
7. **Review Process** - A review process is required. An informal process may be easier to implement and operate. Efforts will be made to keep the review at the SPOE level.
8. **When does First Steps tell a family they will not longer receive services?** The federal rule allows for termination (interruption) of all services not required by law to be provided at no cost to the family. Families who do not maintain a current payment schedule will receive notification of payment in arrears at 30 days, 60 days, and 75 days delinquent. At 90 days, the CFO will send a letter to the family indicating that services are being suspended until payment is brought current. The family is still eligible for services that are required to be provided at no cost to the family. Families whose services are suspended due to non-payment of cost participation fees and re-enter the system (after the fees are brought current) would not be eligible for compensatory services and may not get the same provider. Depending on how long they are out of the system the IFSP team may need to reconvene. Valeri indicated that she would like to have a sense of what other states are doing. Debby indicated that she thought Connecticut’s policy has a statement of suspension of services after non-payment of fees.

9. **Fee Schedule** – The fee schedule was modeled after another state with modifications for SB500. The salary range was taken from what another state uses. Dale indicated that the cost to participate is between \$5 and \$100 based on the current statute for participation in the system, not the services provided.
10. **Family Participation Agreement** – This is the form where most of the information will probably be populated from the system.
11. **Families enrolled in Medicaid having private insurance, but do not allow access.** DESE and Medicaid will need to discuss this issue.

It was asked if DESE could look at other agencies that have an income requirement. Valeri asked if there was a reason not to utilize an existing rule and modify it for First Steps. Dale indicated that DMH has a rule (see rule at <http://www.sos.mo.gov/adrules/csr/current/9csr/9c10-31.pdf>) in place concerning a “standard means test” which was the basis for the document under discussion. Since First Steps works closely with DMH, it may make sense to use their existing definitions/rules as a starting point. Dale suggested rather than discuss each definition/process and procedure point-by-point to gain SICC approval, the Division craft a draft rule modeled after the DMH rule and send it to the SICC for review prior to the actual draft rule being posted for public comment. NOTE: comments may still be made during the public comment period. It was requested that when people e-mail their comments to Dale, they copy the whole SICC so everyone can see the comments. No additional discussion took place.

Update on the RFP for SPOEs (process and timeframe) – Joyce Jackman indicated that all contracts due to expire at the end of June have been sent out to SPOEs, CFO, and consultants. These were sent to the Office of Administration (OA) in early June. DESE completed an initial draft of the RFP and sent it to OA for their initial review about two weeks ago. Currently, DESE is awaiting feedback from OA regarding dates to meet and discuss it. DESE had a preliminary meeting with accounting and procurement staff prior to sending it to OA. There will be more discussion before the final RFP is posted. DESE hoped the RFP would be available in July, but at this point it is not known if it will be available by the end of the month. Hopefully, DESE will hear something from OA soon. DESE cannot discuss the content of the RFP. Several pages of notes from the last SICC meeting were used during the development process. There is still time to interact over the draft. On today’s agenda, there is a separate item requesting additional input from the SICC regarding the RFP. It will be hard to have everything in place by January 1, 2006, if the RFP is not posted by the end of July. OA is aware of the timeline. Hopefully, it will be on the street by early August. As soon as it is posted, DESE will work with OA to create a team to review the bids. Hopefully those awarded the bids will have a month or two after the award to gear up. Boundaries for the SPOE areas will be in the RFP.

Request for Final Input from the SICC Regarding the RFP – DESE wanted to give the Council an opportunity to provide any final thoughts or recommendations regarding the RFP. The following issues and responses were discussed. SB500 had some possible options and alternatives for bidders. How will the scoring be set up to recognize the different options? Joyce believes this was reflected in the RFP. DESE reviewed SB 500, minutes from SICC meetings, and various e-mails for the development of the RFP. Mary Beth Luna attended the meeting with OA, purchasing, accounting, and DESE. Joyce stated she could put a link to the existing contracts up on DESE’s website next week. Once the RFP is posted on OA’s website, DESE will announce that it is available and link to it. Valeri Lane indicated that a good computer will be needed to reach it. Phase I is not being rebid. Contracts usually have an initial year (as much as eighteen months), plus a number of renewals. OA maintains the authority to not issue renewals.

Web SPOE Update – Mary Corey provided an update on the new software. The pilot took place at the Northwest SPOE almost a month ago. Some updates were released to the software within the last week. Both the Northwest SPOE and the St. Louis SPOEs have children entered into the system at various stages.

The southwest area will be trained next week. The rest of state will receive training through July and August. Everyone should be on-line by August. At that time, the on-line referral will be activated allowing primary referral sources to make referrals. The CFO is the main trainer, but DESE staff and First Steps consultants also attend the trainings. General response is that once people are familiar with the system it will be a good system. This system replaces the paper early intervention record because it contains everything. Provider access and usage will be phased in as children are entered into the system. Since both systems will be in use until next fall, the children will have to be tracked regarding which system they were entered. Is there a back up plan for those who only have dial up connection? There is no way around it because it is such a massive system so for a service coordinator to function in this system, they will need to have something more than dial-up access. Bidders will have to keep this in mind while bidding. Joyce indicated that this was addressed. It is all at mofirststeps.com and in theory the providers already have access with on-line billing, but they will not have access to the pages and pages that the service coordinator would. Debby Parsons reminded everyone that when the old system started the field did not like stuff about it either. However, it has evolved and this system will do the same. Joan Harter asked how parents will have access to their child's file. Mary indicated that the SPOE will be required to allow families' access. The IFSP can be printed and other reports are being created to provide additional information. During the developmental stages, DESE considered giving parents access, but that would require another security level so it was left for families to have access through their service coordinator. Providers can access the system by using their log on for mofirststeps.com. There will be an "EI child" link to click on to access a child's records. Progress notes cannot be printed at this time, but this capability has been requested. The administrative access can only view billing information, not other specific child information. What if the providers do not have access to a computer and a secretary in the office enters the information? Mary indicated this would be handled differently by each agency. The progress notes need to be updated more than quarterly. It is still possible that someone could go in and enter the progress notes on-line once the providers have written them. It was mentioned that some agencies are keeping their provider passwords so they can access the information to support the therapists while they are in the field. Some therapists will call in from the field needing information from the system. Mary mentioned that some of these issues will change after the rebid. The system is individual provider based, not agency based. Mary asked that people using the system notify DESE with any issues they find once they start using the system. Currently the SPOEs report issues to the CFO. It was mentioned that even having a viewing and printing capability would be helpful for administrative staff. Debby indicated that the security issues come from the confidentiality regarding the children's files. There will have to be updates to the system, but sometimes you have to change some of your practices to adjust. Web SPOE update will be put on the next SICC agenda.

Monitoring Update – Margaret Strecker provided a handout containing future monitoring dates and the designated staff scheduled to perform each review. The schedule also included the web system training sessions, but did not list each training session on developing quality IFSPs. Information from the monitoring reviews that have taken place has not been analyzed at this time because the monitoring process has just begun. By the next SICC meeting, DESE should be able to provide a summary of the results of the follow-up monitoring reviews that were conducted this summer. Past monitoring reviews just included the SPOE, but now on-going service coordinators and providers are being monitored as well. The SPOEs prepare by pulling files for DESE staff to review. DESE staff looks at a number of files related to areas of non-compliance identified during the initial monitoring visit. Data is also reviewed to determine if any new issues need to be addressed. SPOE staff is interviewed, if necessary, to determine that corrections from the initial review have been made.

Monitoring of on-going service coordinators (DMH and independent: DESE selects approximately 4-6 service coordinators) with the highest caseload in each SPOE area. Information from child complaints or informal issues may also be considered as factors in the selection process. Items reviewed include, but are not limited to: timelines for six month reviews and annual IFSP meetings; provision of notice of action and consent; provision of IFSP meeting notification letters; and conducting all activities related to transition. It

is important that SPOEs receive all required information for inclusion in the child's file. There have been cases where the paperwork exists, but it is not in the file. DMH will receive a final report for their service coordinators and independent service coordinators will receive their own individual reports. Listserv messages and/or guidance documents will be created based on the findings of the monitoring.

Provider monitoring will consist of approximately 4-6 providers in each SPOE area that are selected randomly based upon highest caseload, child complaint, or informal issues data. Once the providers are selected, DESE staff reviews the data list and selects children who have been receiving services for four months or longer. Items reviewed include, but are not limited to: documentation issues such as evaluations and progress notes being submitted timely; participation in IFSP meetings; notification of the service coordinator of changes needed in the IFSP; and implementation of services in accordance with the IFSP. DESE staff contacts families to verify that the IFSP is being implemented as written and if the provider cancels sessions that they offer to make up the session then follows through. Information from families is reviewed in context with the findings from the file review and interviews with the providers as needed. DESE will issue some guidance to the field based on the finding of the monitoring.

OSEP wants all non-compliance to be corrected within a year. The issue that probably requires the most complex corrective action strategy is non-compliance on 45-day timelines. Compliance decisions are based on the data reports for each area. The reason for exceeding timelines is taken into account and parent/child reasons are acceptable and not held against the SPOE. File reviews confirm the reasons indicated by SPOEs for exceeding timelines and also provide evidence that compensatory services are offered as appropriate.

SICC Appointment Update – Mary Beth Luna attended today's meeting to updates the Council on pending nominations. Right now the Governor's office is working on filling the vacant slots and hopes to be done in September. At that time, they hope to have a full Council. Elizabeth Spaugh spoke with Pam Byars regarding her participation on the Council and stated that Pam was planning to send in a resignation, but she is unsure of the current status. Mary Beth will push to have appointments made in time so new appointees can attend the September SICC meeting.

Child Abuse Preventions and Treatment Act (CAPTA) – A provision of the Reauthorized Individuals with Disabilities Education Act (IDEA) Part C incorporates a requirement of the Child Abuse Prevention and Treatment Act (CAPTA). Beginning July 1, 2005, staff of the Department of Social Services, Children's Division must refer to First Steps any child under age three who has been involved in a substantiated case of child abuse or neglect. The purpose of the requirement is to promote collaboration between the Children's Division and the First Steps system based on the recognition that a large proportion of abused/neglected children under age three have health and developmental problems and may be eligible for First Steps services. Social emotional development is one criteria that could be used as eligibility. Valeri expressed a concerned that First Steps may not be ready to evaluate the issues these children may have when they are referred. What tools are available? There is a nationwide concern that if all abused/neglected children were referred to Part C there would be a massive influx of children. States establish eligibility criteria and Missouri has a restrictive criteria. Children referred must still meet eligibility criteria. All cases of substantiated abuse will be referred. IDEA Part C regulations are not posted in the Federal Register yet. A screening process prior to an evaluation may be included in the regulations. Division of Social Services sent a letter to their staff in the field regarding referral to First Steps. Some of these children may already be participating in the Part C program. CAPTA will be added as a referral source on the referral form. The Infants and Toddlers Association (ITAC) is surveying states to see how they are handling CAPTA referrals. The state plan will have to be revised with procedures regarding CAPTA by June 2006. DESE will receive final regulations for Part C in December. Some children may be referred and come in already having an evaluation, but others will need to be evaluated. DESE will review a document that was recently received from the ITAC to determine if it is appropriate for the web. Valeri stated that a process is needed to help these children because they will need it before

entering school. This item will be put on the next agenda for an update. The investigator or someone from their staff will actually make the referral. There is a line in their procedures stating that the person filing out the referral form will be available for questions from the SPOE.

Additional Items Discussed:

- Sherl indicated that Medicaid has received phone calls from providers asking about billing Medicaid for First Steps services. If this is not processed through the CFO, then the DESE rate for First Steps will not apply and it cannot be billed as an early intervention service. The CFO is responsible for billing. Providers are asking to change the “bill to” address. They want Medicaid to pay first then get the enhanced payment from First Steps. However, the provider would have to accept Medicaid payment as payment in full. Debby will have Joyce contact Sherl to discuss this issue and see if it is an isolated incident or something that needs to be addressed by DESE in a listserv message.
- The service provider agreement is posted on DESE’s website. An old one was found in mofirststeps.com. Both documents should be the same. Kate will work with the CFO to get this fixed. The version on the DESE website is the correct version.
- It was mentioned that the background check to get on the matrix is taking three to six months to get the FBI finger print check. Debby Parsons indicated that a change is being made to this process. DESE will send a listserv message describing the new process.

Next SICC Meeting Agenda Items: Dale-annualized cost per child per SPOE; update on family cost participation; monitoring; web SPOE access issues or just definition of issues; follow-up on CAPTA and addressing of their referrals; unanswered questions from CSPD from last time (what will count as credit).

Leslie Elpers made a motion to adjourn the meeting. Darin Preis seconded the motion. Motion passed. Meeting adjourned at 2:50 p.m.